

THE OFFICE OF REGULATORY STAFF

DIRECT TESTIMONY & EXHIBITS

OF

CHRISTOPHER J. ROZYCKI

MAY 13, 2015



DOCKET NO. 2015-32-C

Amended Petition of the South Carolina Office of Regulatory Staff for the Commission to Order a Rule to Show Cause as to Why the Certificates of Public Convenience and Necessity for Certain Providers of the Telecommunications services Should Not Be Revoked for Failure to File Gross Receipts, Annual Reports, USF Reports, and/or USF Support Payments

**DIRECT TESTIMONY OF
CHRISTOPHER J. ROZYCKI**

**ON BEHALF OF
THE SOUTH CAROLINA OFFICE OF REGULATORY STAFF
DOCKET NO. 2015-32-C**

**IN RE: AMENDED PETITION OF THE OFFICE OF REGULATORY STAFF
FOR THE COMMISSION TO ORDER A RULE TO SHOW CAUSE AS TO
WHY THE CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY
FOR CERTAIN PROVIDERS OF TELECOMMUNICATIONS SERVICES
SHOULD NOT BE REVOKED FOR FAILURE TO FILE GROSS RECEIPTS,
ANNUAL REPORTS, USF REPORTS, AND/OR USF SUPPORT PAYMENTS**

Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND OCCUPATION.

A. My name is Christopher J. Rozycki and my business address is 1401 Main Street, Suite 900, Columbia, South Carolina 29201. I am employed by the State of South Carolina Office of Regulatory Staff ("ORS") as Director, Telecommunications.

Q. PLEASE DESCRIBE YOUR BUSINESS EXPERIENCE AND BACKGROUND.

A. I have over thirty (30) years of experience. I have more than twenty (20) years in telecommunications business and regulation and nearly ten (10) years in the regulation of energy industries.

My testimony and advocacy covered issues involving finance, economics, rate-of-return, competitive entry, intercarrier compensation and access. I have also been involved with the startup, development, and funding of telecommunications companies.

1 I hold a master's degree in Economics from George Mason University in Fairfax,
2 Virginia and a bachelor's degree in Economics from Georgetown University in
3 Washington, DC.

4 **Q. HAVE YOU TESTIFIED PREVIOUSLY BEFORE THE PUBLIC SERVICE**
5 **COMMISSION OF SOUTH CAROLINA?**

6 **A.** Yes.

7 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

8 **A.** The purpose of this testimony is to present evidence that certain
9 telecommunications carriers including payphone service providers subject to the
10 Commission's jurisdiction have failed to comply with at least one of the following
11 requirements: (1) file a 2014 Gross Receipts Report; (2) file a 2013 Annual Report; (3)
12 file a 2014 Universal Service Fund ("USF") Contribution Worksheet ("USF Report"); or
13 (4) make payments to the State Universal Service Fund. Carriers must comply with these
14 and other requirements in order to maintain their certificate and authority to operate in
15 South Carolina.

16 **Q. ARE TELECOMMUNICATIONS CARRIERS REQUIRED TO FILE A GROSS**
17 **RECEIPTS REPORT?**

18 **A.** Yes. Pursuant to S.C. Code Ann. Section 58-1-100, 58-3-540, 58-4-60 and 58-9-
19 370 (Supp. 2014), telecommunications carriers, under the jurisdiction of the Commission,
20 are assessed annually by the Department of Revenue based on their gross income from
21 operations in South Carolina. Gross income is reported and submitted by each
22 telecommunications carrier on the Gross Receipts Report.

1 **Q. ARE TELECOMMUNICATIONS CARRIERS REQUIRED TO FILE AN**
2 **ANNUAL REPORT?**

3 **A.** Yes. Pursuant to SC Code Ann. Section 58-9-370 (Supp. 2014),
4 telecommunications carriers, under the jurisdiction of the Commission, are required to
5 file Annual Reports.

6 **Q. ARE CARRIERS REQUIRED TO FILE A UNIVERSAL SERVICE FUND**
7 **CONTRIBUTION WORKSHEET (“USF REPORT”)?**

8 **A.** Yes. The Commission approved Universal Service Fund guidelines require each
9 carrier to report on an annual basis the information necessary to allow ORS to calculate
10 each company’s South Carolina USF support amount. The guidelines were approved in
11 Commission Order No. 2001-996.

12 **Q. ARE CARRIERS REQUIRED TO SUPPORT UNIVERSAL SERVICE?**

13 **A.** Yes. All telecommunications carriers, as well as those wireless carriers certified
14 by the Commission as Lifeline Eligible Telecommunications Carriers (“ETCs”) are
15 required to support Universal Service and to contribute to the State Universal Service
16 Fund established pursuant to SC Code Ann. Section 58-9-280 (E) (Supp. 2014).

17 **Q. PLEASE EXPLAIN CJR - EXHIBIT A ATTACHED TO YOUR TESTIMONY.**

18 **A.** CJR - Exhibit A lists those carriers that have failed to file a Gross Receipts Report
19 as of May 13, 2015.

20 **Q. PLEASE EXPLAIN CJR - EXHIBIT B ATTACHED TO YOUR TESTIMONY.**

21 **A.** CJR - Exhibit B identifies those telecommunications carriers that have failed to
22 file a 2013 Annual Report as of May 13 2015.

23 **Q. PLEASE EXPLAIN CJR - EXHIBIT C ATTACHED TO YOUR TESTIMONY.**

1 A. CJR - Exhibit C identifies those telecommunications carriers that have failed to
2 file a Universal Service Contribution Worksheet ("USF Report") as of May 13, 2015.

3 Q. **PLEASE EXPLAIN CJR - EXHIBIT D ATTACHED TO YOUR TESTIMONY.**

4 A. CJR - Exhibit D lists those telecommunications carriers who have outstanding
5 USF payments significantly beyond a 90 day period as of May 13, 2015.

6 Q. **HAS ORS RECEIVED ANY RESPONSES FROM THE CARRIERS INITIALLY**
7 **NAMED IN THE AMENDED PETITION FILED ON APRIL 8, 2015?**

8 A. ORS has received responses from carriers since the filing of the Amended
9 Petition. However, no additional carriers have come into compliance since the filing of
10 the amended petition. In the event carriers do come into compliance before the hearing
11 scheduled in this matter, ORS will remove those carriers from the non-compliance lists
12 represented in the attached schedules, and ORS will provide a Revised Exhibit A,
13 Revised Exhibit B, Revised Exhibit C and Revised Exhibit D to accurately reflect only
14 those companies which remain out of compliance at the time of the Commission hearing.

15 Q. **WHAT ACTION DOES ORS RECOMMEND THAT THE COMMISSION TAKE?**

16 A. ORS recommends that the Commission revoke the Certificates of Public
17 Convenience and Necessity for those carriers that have failed to file a Gross Receipts
18 Report, Annual Report, USF Report or failed to make required payments to the State
19 Universal Service Fund.

20 Q. **DOES THIS CONCLUDE YOUR TESTIMONY?**

21 A. Yes, it does.

Docket No. 2015-32-C
Rule to Show Cause Telecommunications Carriers Non-Compliant with Gross Receipt Report 2014

May 13, 2015

#	Company Name	DBA	Certificate Type	Address	City	State	Zip	Docket #	Order #	Date Certified	Secretary of State Standing
1	Genesis Telecommunications Company, LLC		CLEC IXC	PO Box 675	Greenwood	SC	29648	2000-350-C	2000-873	10/27/2000	No results
2	Go-Solo Technologies, Inc.		IXC	5410 Mariner St, Ste 175	Tampa	FL	33609	2004-17-C	2004-427	9/9/2004	Forfeiture
3	Image Access, Inc.	New Phone	CLEC IXC	7324 Southwest Freeway, Ste 475	Houston	TX	77074	1999-269-C 2004-205-C	1999-762 2004-564	10/26/1999 11/12/2004	Good Standing
4	TQC Communications Corporation		IXC	3000 Immokalee Road, Suite #1	Naples	FL	34110	2006-38-C	2006-304	5/26/2006	Good Standing
5	North Blvd. Shopping Center		PSP	1070 Blvd NE	Orangeburg	SC	29115	1985-150-C	1986-1119	10/29/1986	No results
6	Sunte!l		PSP	PO Box 397	Camden	SC	29020	1985-150-C	1990-509	5/9/1990	

Docket No. 2015-32-C

Rule to Show Cause- Telecommunications Carriers Non-Compliant with Annual Report 2013

May 13, 2015

#	Company Name	DBA	Certificate Type	Address	City	State	Zip	Docket #	Order #	Date Certified	Secretary of State Standing
1	Genesis Telecommunications		CLEC	PO Box 675	Greenwood	SC	29648	2000-350-C	2000-873	10/27/2000	No results
2	Go-Solo Technologies, Inc.		IXC	5410 Mariner St, Ste 175	Tampa	FL	33609	2004-17-C	2004-427	9/9/2004	Forfeiture
3	TQC Communications Corporation		IXC	3000 Immokalee Road, Suite #1	Naples	FL	34110	2006-38-C	2006-304	5/26/2006	Good Standing

Docket No. 2015-32-C

Rule to Show Cause Telecommunications Carriers Non-Compliant with USF Report 2014

May 13, 2015

#	Company Name	DBA	Certificate Type	Address	City	State	Zip	Docket #	Order #	Date Certified	Secretary of State Standing
1	Genesis Telecommunications Company, LLC		CLEC IXC	PO Box 675	Greenwood	SC	29648	2000-350-C	2000-873	10/27/2000	No Results
2	Go-Solo Technologies, Inc.		IXC	5410 Mariner St, Ste 175	Tampa	FL	33609	2004-17-C	2004-427	9/9/2004	Forfeiture
3	TQC Communications Corporation		IXC	3000 Immokalee Road, Suite #1	Naples	FL	34110	2006-38-C	2006-304	5/26/2006	Good Standing

Docket No. 2015-32-C

Rule to Show Cause Telecommunications Carriers Non-Compliant with Support of State Universal Service Fund

May 13, 2015

#	Company Name	DBA	Certificate Type	Address	City	State	Zip	Docket #	Order #	Date Certified	Secretary of State Standing
1	ComTech21, LLC		CLEC IXC	1 Barnes Industrial Rd. S	Wallingford	CT	6492	2004-54-C	2004-312	38168	Good Standing
2	Genesis Telecommunications Company, LLC		CLEC IXC	PO Box 675	Greenwood	SC	29648	2000-350-C	2000-873	36826	No results
3	Image Access, Inc.	New Phone	CLEC IXC	c/o Dana Hoyle, Regulatory Consultant, 7324 Southwest Freeway, Suite 475	Houston	TX	77074	1999-269-C	1999-762	36459	Good Standing

BEFORE
THE PUBLIC SERVICE COMMISSION

OF SOUTH CAROLINA

DOCKET NO. 2015-32-C

IN RE: Amended Petition of the South Carolina Office of Regulatory)
Staff for the Commission to Order a Rule to Show Cause as to)
Why the Certificates of Public Convenience and Necessity for) **CERTIFICATE**
Certain Providers of the Telecommunications services Should Not) **OF SERVICE**
Be Revoked for Failure to File Gross Receipts, Annual Reports,)
USF Reports, and/or USF Support Payments)

This is to certify that I, Faith E. Shehane, have this date served one (1) copy of the **DIRECT TESTIMONY AND EXHIBITS OF CHRISTOPHER J. ROZYCKI** in the above-referenced matter to the person(s) named below by causing said copy to be deposited in the United States Postal Service, first class postage prepaid and affixed thereto, and addressed as shown below:

Genesis Telecommunications
Company, LLC
PO Box 675
Greenwood, SC 29648

Go-Solo Technologies, Inc.
5410 Mariner St, Ste 175
Tampa, FL 33609

Image Access, Inc.
D/B/A New Phone
7324 Southwest Freeway, Ste 475
Houston, TX 77074

TQC Communications Corporation
3000 Immokalee Road, Suite #1
Naples, FL 34110

North Blvd. Shopping Center
1070 Blvd NE
Orangeburg, SC 29115

Suntel
PO Box 397
Camden, SC 29020

ComTech21, LLC
1 Barnes Industrial Rd. S
Wallingford, CT 06492


Faith E. Shehane

May 13, 2015
Columbia, South Carolina